

## Message Text

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53

ACTION EB-07

INFO OCT-01 EUR-12 NEA-09 ISO-00 SP-02 AID-05 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04

SIL-01 IO-10 OES-05 INT-05 FEA-01 SSO-00 NSCE-00

INRE-00 PA-02 PRS-01 USIE-00 ABF-01 FSE-00 /112 W

----- 100365

O R 181222Z MAR 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC IMMEDIATE 2532

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY TEHRAN

AMEMBASSY VIENNA

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USINT BAGHDAD

UNCLAS KUWAIT 1224

E.O. 11652: N/A

TAGS: EFIN KU

SUBJ: REVALUATION OF KUWAITI DINAR

REF: A. KUWAIT 1189 B. KUWAIT 1206

1. FOLLOWING CABINET MEETING HERE MARCH 17, MINISTER OF STATE  
ANNOUNCED THAT COUNCIL OF MINISTERS DECIDED TO SET NEW EXCHANGE  
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RATE FOR KUWAITI DANAR (KD) AGAINST DOLLAR. DESPITE ANNOUNCEMENT

THERE REMAINS CONSIDERABLE CONFUSION OVER EXACTLY WHAT GOK HAS DONE.

2. THE LOCAL PRESS HAS REPORTED THE KD'S TIES WITH DOLLAR HAVE BEEN CUT AND LIKE SAUDI ARABIA GOK WILL TIE KD TO SDRS. PRESS DESCRIBES THIS AS VIRTUAL REVALUATION OF KD. MINISTRY OF FINANCE SOURCE, HOWEVER, TOLD EMBOFF NEWSPAPER STORIES INCORRECT. HE SAID KD WILL NOT RPT NOT BE PEGGED TO SRDS AND THAT, AS HAD BEEN THE CASE ANYWAY (SEE REF B, PARA 4), KD WILL REMAIN PEGGED TO BASKET OF CURRENCIES. ACCORDING MINISTRY OF FINANCE SOURCE, WHAT GOK HAS DONE IS TO ALLOW KD TO MOVE BEYOND 2.25 PERCENT UPPER LIMIT VIS-A-VIS DOLLAR.

3. NOT CLEAR WHETHER KD WILL FLOAT AND IF SO HOW LONG. PROBABLY, GOK WILL ALLOW LIMITED FLOAT FOR SHORT WHILE AND THEN, AS IT DOES NOW, SET DAILY RATE. IN LAST TWENTY-FOUR HOURS DOLLAR RATE HAS DROPPED FROM \$1 - 286.5 FILS TO \$1 - 281.5 FILS. AS NOTED REF B, RATE WAS \$1 - 291.25 FILS UNTIL REVALUATION SAUDI RIYAL EARLIER THIS WEEK.  
STOLTZFUS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CURRENCIES, REVALUATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REVALUATION OF KUWAITI DINAR  
**TAGS:** EFIN, KU  
**To:** STATE  
**Type:** TE  
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